



Local Government Fiscal Impact 2009 Biennium

LC #	LC 597
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Title:	Requiring stop signal arms on certain buses
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Primary Sponsor:	Ryan, Don
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Status:	Not Introduced
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Check the box if "Yes".

- ☐ This act has a significant impact on local government revenues or expenditures for which no specific means of financing has been provided in the bill.

Description of fiscal impact: This bill would require the retrofitting of existing buses and the inclusion of the required signs on new buses beginning July 1, 2008.

FISCAL ANALYSIS

Assumptions:

1. The following estimates are based on the Department of Transportation (DOT) inventory of vehicles purchases for local government transportation providers with funding from DOT managed programs. The statewide inventory includes 29 vehicles that are still eligible for federal funding and 52 vehicles that are no longer eligible for federal funding.
2. Signs required by the bill on eligible vehicles would be eligible for Federal Transit Administration (FTA) funding of 86% of costs for Section 5310 and 5311 providers and 80% of costs for Section 5307 providers.
3. All matching funds for FTA funds used for signs would be provided by local governments, since there are no state funds available to match FTA funds.
4. It is assumed that the fleet size on July 1, 2008 is the same as the current fleet size.
5. The estimated cost of retrofitting buses would be a minimum of \$1,500 per bus, based upon an estimate from a major bus vendor. For federal funding eligible buses, the cost would be \$43,500 (29 vehicles x \$1,500) and would be funded \$37,410 from federal FTA funds and \$6,090 from local government funds. The estimated costs for non-federal funding eligible buses would be \$78,000 (52 vehicles x \$1,500) and would be funded all from local funds. The total statewide retrofit cost to local governments would be approximately \$84,090.
6. This retrofitting would be a considered a one-time expense.
7. The estimated cost of including the required signs on new buses would be a minimum of \$500 per bus, based upon an estimate from a major bus vendor.
8. The bill would also affect buses owned and operated by private non-profit and private for profit companies including developmentally disabled and elderly agencies, senior citizen centers, nursing homes, and charter companies.

9. Requirements found in 1-2-114, MCA, state that a bill may not be introduced if it requires a local government to expend funds without a specific means of financing the expenditure. In accordance with 1-2-112, MCA, the impact to the local government is considered substantial if it exceeds the equivalent of approximately 1 mill levied on taxable property of the local government unit or \$10,000, whichever is less. A single local governmental unit could own enough busses that are not eligible for federal subsidy to exceed the statutory threshold in the first year this bill is enacted. It is not known if any specific local governmental unit will exceed this threshold. It is unlikely that any governmental unit would exceed the threshold after the first year of the law being enacted since the additional cost on new busses is substantially less and purchases of new busses would be spread over several years.

Sponsor's Initials

Date

Budget Director's Initials

Date